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In the

Supreme Court of the United States.

OCTOBER TERM, 1945.

No. 150.

CLARAGE FAN COMPANY

v.

B. F. STURTEVANT COMPANY.

RESPONDENT'S BRIEF

IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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STATEMENT OF THE CASE.

The present petition is the second attempt by the Clarage Fan Company to have this Court review decisions holding respondent's patents valid and infringed by apparatus made by the petitioner.

The first attempt grew out of a suit for infringement brought in the District of Massachusetts by respondent against a user of apparatus made by the Clarage Fan Company,* in which suit the latter company, although declining to become a party defendant in name, nevertheless openly and admittedly assumed and entirely conducted the defense of the case. This present and second attempt follows a suit brought in the District of Michigan by respondent against the Clarage Fan Company itself.†

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* *B. F. Sturtevant Co.* v. *Mass. Hair & Felt Co.*, 31 F. Supp. 975, 122 F. (2d) 900, 124 F. (2d) 95, cert. den. 315 U.S. 823.

† *B. F. Sturtevant Co.* v. *Clarage Fan Co.*, 50 F. Supp. 157, 148 F. (2d), 786.

In both suits the same patents were held valid and infringed by the same identical apparatus, to wit, apparatus embodying and employing a Vortex control exemplified by a physical specimen present at both trials as Exhibit 3. In the *Michigan* suit, two other forms of Vortex control, identified as Exhibits B and C were held to "embody no substantial departure from the patented apparatus or from Exhibit 3, but are merely colorable departures therefrom and attempted evasions of the claims in suit." (I-44*.) Apparatus embodying or employing these slightly modified Vortex controls was also held to be infringements of each and every claim in suit.

In the first petition to this Court (Case No. 968, October Term, 1941) the petitioner based its prayer for review on an alleged "extension of monopoly". There was no basis or justification for such a charge. This Court denied the petition (315 U.S. 823).

In the present petition, precisely the same charge is made but now it is presented under the guise of "the public interest" having been overlooked or not properly considered. This is an attempt by petitioner to have this Court believe that this case is similar to several recent cases wherein patentees had attempted to go beyond their patent rights in disregard of the public interest. We refer to such cases as the *Morton Salt* case,[1] the *B. B. Chemical* case,[2] the *Masonite* case[3] and the *Mercoid* case[4]. In all of these the patentees had not been content to enjoy the limited rights conferred by their patent claims but had attempted to expand those

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* We shall refer to the two volumes of the Transcript of Record as "I" and "II".

[1] *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U.S. 488.

[2] *B. B. Chemical Co.* v. *Ellis*, 314 U.S. 495.

[3] *United States* v. *Masonite Corp.*, 316 U.S. 265.

[4] *Mercoid Corp.* v. *Mid-Continent Inv. Co.*, 320 U.S. 661.

rights to unpatented things which were free to the public to make, sell and use. In short, the practices of the patent owners were in disregard of the interests of the public, and this Court properly denied relief in such cases.

But every patent owner does not necessarily act contrary to the public interest. Nevertheless, this Court may well expect that many an adjudged infringer will, when all else fails, raise the cry of "the public interest" and petition this Court for a review of his case, even though in fact the alleged "public interest" about which the petitioner raises his voice is nothing more than the personal and private interest of a defeated litigant. Such is the situation here.

This is just an ordinary patent infringement suit in which the Clarage Fan Company, in two different circuits, has been adjudged to be an infringer of respondent's patents. Respondent has made no improper or illegal use of its patents. It has not attempted any extension of its patent rights beyond the limit of the patent grant. It has not entered into any illegal or improper license agreements under its patents and it has in no way attempted to use its patents to control the sale or use of unpatented goods. It has done nothing in derogation of the public interest.

There is no reason for the grant of the writ. There is no conflict of decisions between the Circuit Courts of Appeals. There is no question of local law or federal law which has not been or which should be settled by this Court or which has been decided by the Sixth Circuit Court of Appeals in a way which might conflict with the applicable decisions of this Court. The Circuit Court of Appeals has not departed from the accepted and usual practice of judicial proceedings such as to call for an exercise of this Court's power of supervision.

HISTORY OF THE LITIGATION.

The statement of facts on page 2 of the petition is correct, so far as it goes. However, we think it necessary to amplify the history of the case as follows:

In the present suit, the plaintiff B. F. Sturtevant Company (respondent herein) asserted that the issue of validity of the patents and the issue of infringement by apparatus employing Exhibit 3 were *res adjudicata,* Clarage having openly assumed and conducted the defense of the *Massachusetts* case. The plaintiff also charged that apparatus embodying two modifications of Exhibit 3, which modifications were not before the courts in the *Massachusetts* case, were likewise infringements of the patents. These are the Vortex controls, Exhibits B and C.

After a full trial, during which, over respondent's objections, petitioner was permitted to put in all the prior art and testimony it desired in an attempted attack on the validity of the patents, the District Court filed its Findings of Fact and Conclusions of Law September 7, 1943. It held that the validity of the patents and their infringement by Exhibit 3 were *res adjudicata;* and further held that Exhibits B and C were substantially like Exhibit 3, appropriated the principle and mode of operation of the patented apparatus, obtained substantially the same results in substantially the same way by using the same or equivalent means, embodied no substantial departure from the patented apparatus or from Exhibit 3, and were infringements of each and every claim in suit. (Conclusions of Law I-43, 44.)

The Circuit Court of Appeals for the Sixth Circuit affirmed the judgment of the District Court in all respects. Opinion (II-412, Amended II-423) (148 F. 2d 786).

It is from the decree (II-411) of the Sixth Circuit Court of Appeals that Clarage Fan Company brings its present petition to this Court.

PETITIONER'S CONTENTIONS.

The petitioner vigorously contended in the District Court and in the Circuit Court of Appeals that respondent had shifted its position or theory of the claims from that presented in the *Massachusetts* case, in other words, that respondent had urged one interpretation in the *Massachusetts* case and had advanced another interpretation in the present case in order to support the charge of infringement by Exhibits B and C. Petitioner contended that this reopened all questions of validity and infringement and relied upon *Mercoid Corporation* v. *Mid-Continent Investment Company* (320 U.S. 661) as authority for not following the rule of *res adjudicata.*

Whether or not a change of theory by plaintiff could ever result in refusal of a court to apply the rule of *res adjudicata* is a question of law which respondent did not consider necessary to argue at length in the courts below. Respondent demonstrated to the satisfaction of the District Court that as a matter of *fact* there had been no such change of theory and that the interpretation of the patented claims adopted by the plaintiff in this case was identical with that in the *Massachusetts* case. The District Court made the following Finding of Fact:

> "32. In the theory of a 100% overlap when the vanes are in fully open position, there is no such shifting of theory by plaintiff from that taken by it in the *Massachusetts* case, as to warrant refusal to apply the doctrine of *res adjudicata.*" (I-43.)

On appeal the Circuit Court of Appeals carefully considered the question of *res adjudicata.* The Court said, "We do not think that the question of validity is again presented but we give consideration to appellant's insistence." (II-418.) The Court then proceeded to give an analysis of the

findings of the Master and the opinion of the First Circuit Court of Appeals. The Court found as a matter of *fact* that the *same* issue of validity was presented in the First Circuit as in the Sixth Circuit. In summation of this point the Court below said:

> "Contrary to appellant's contention that this conception of overlapping in space was not present in the *Massachusetts* case, we find numerous references to it in the testimony in that case and we can reach no other conclusion, if at all material, than that it was the basis of the court's holding of validity. The same issue as to validity was presented there in the same terms as here, and we think that the validity of No. 863 is *res adjudicata.*" (II-420.)

And in respect to the second Hagen patent, the Court said:

> ". . . in so far as the patent is attacked on the ground that appellee has shifted its position from that taken in the *Massachusetts* case, what we have said with reference to No. 863 applies here." (II-421.)

Petitioner also presented in the District Court and in the Circuit Court of Appeals an extensive argument attempting to show invalidity of the patents over the prior art. A similar argument is presented here. Furthermore, the petitioner especially assails the validity of the second Hagen patent. Precisely the same attack was made in the petition presented to this Court in the *Massachusetts* case. This effort to present an issue concerning validity is no more than a second attempt to seek a review of the facts decided by the Circuit Court of Appeals for the First Circuit in the *Massachusetts* case.

SUMMARY OF ARGUMENT.

We shall argue that the petition should be denied because:

There has been no shift of position or change of interpretation by the plaintiff between the *Massachusetts* case and this case; and the courts below on full consideration of the facts and giving "consideration to appellant's insistence" held that the same issues were presented in the same terms in both suits.

Petitioner's argument on validity is nothing more than a reargument of the issues of fact decided in the *Massachusetts* case and should not be countenanced.

The concurrent findings by the several tribunals that have passed on this litigation should not be disturbed.

The petitioner makes, and could make, no showing of improper actions or actions against the public interest by respondent. There is no question of illegal or improper use of the patents or any such improper actions as existed in any of the cases cited by the petitioner.

ARGUMENT.

No Change in Theory by Respondent.

Petitioner's principal argument is based on the following statement on page 14 of its brief:

> "In order to urge infringement by Exhibits B and C respondent evolved its present overlapping in space theory, 100% overlap with vanes in fully open position in which position they perform no work."

The petitioner presents this as if it were a wholly new theory developed by respondent for purposes of this case and inconsistent with the theory advanced by respondent in the *Massachusetts* case. That assertion is false and its falsity is exposed in the opinion of the court below. The same theory that was advanced in this case was advanced in the prior suit. It formed the basis of the testimony of plaintiff's expert, Berry, who is the same expert in the present case. Even defendant's expert, Russell, in the prior case testified in answer to a question by the Master that "when they (the vanes) are wide open, sir, the overlap is 100 per cent". This testimony appears in the record of the prior case which is Exhibit 6A in this case, page 427. No contention was made by the defendant in the *Massachusetts* case that overlap should be construed any differently from the interpretation advanced by the plaintiff. The Master and the First Circuit Court of Appeals adopted this interpretation of overlap as adequately shown by the opinion of the Court below (II-419, 420), whose conclusion we have quoted on page 6, *supra.*

What the petitioner seeks to do is to have this Court find as a matter of *fact,* contrary to the findings of the courts below, that respondent shifted its position in the present case, and then to hold as a matter of *law* that such a shift would warrant the application of petitioner's interpretation

of the *Mercoid* doctrine. Regardless of the law, the whole argument falls at the start on the false issue of fact which the petitioner presents to this Court.

Petitioner's Attempt to Seek a Review of the Facts Bearing on Validity.

The petitioner, not content with asserting that the case should be reopened because of an alleged shift of theory, presents before this Court a direct attack on the validity of the patents.

Thus, on pages 10 and 11 and elsewhere, petitioner asserts that overlapping in space is an incident to all adjustable multiple vane controls, that respondent has been permitted to reclaim and recapture admittedly ancient principles of spin control, that it is merely a matter of mechanics or a mechanical expedient to construct a fan in accordance with the patents, and that the courts below have given the claims such scope as to embrace prior art structures.*

Petitioner also asserts, as though it were something new, that Hagen "admits" that his second patent is merely an adaptation of the first Hagen patent to a forced draft fan. (Question 3, page 8, Point II, page 16.) But there is nothing new in that. We have always taken the position that the second patent is a specific application to a forced draft fan of the principles broadly disclosed in the first patent. The

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* Petitioner's contentions are wholly inconsistent with statements made by petitioner in technical bulletins. See Exhibit 16 (II-317) describing a Vortex control which is a substantial copy of the second Hagen patent and stating that Vortex control " is something entirely new in principle" (II-317), "for it is revolutionary and something which engineers generally have never heard of before" (II-318), and also Clarage Bulletin No. 101 (II-305, 313) wherein it is stated: "Clarage Vortex control and its applications to systems, protected by patent coverage, are among the most outstanding improvements ever made in the field of fan engineering" (II-306, 314).

opening paragraphs of the second Hagen patent itself set forth that fact and we so stated on page 4 of our brief before this Court in Case No. 968, October Term 1941, when the petitioner was asserting that the second Hagen patent was invalid on the ground that it relied upon the same inventive concept underlying the first patent. (Point 3, page 25 of petitioner's brief in Case No. 968.)

Thus petitioner's present argument is nothing more than a second attempt to have this Court review the multitude of issues of fact decided in 1941 by the First Circuit Court of Appeals. The decision of that Court is binding on the parties to this suit, and petitioner's attempt to review that decision should not be entertained. Nevertheless, we take this opportunity to point out that petitioner's glib statements as to overlap, ancient principles, mechanical expedients, etc., are a gross over-simplification of the case.

Because of the complex technical aspects of the case it was referred for trial to a Special Master who spent six full days in hearing the parties. There was much fact and expert testimony offered by both sides and in the course of its presentation there was full discussion of such matters as centrifugal fans of both the induced and forced draft types, the control of such fans by dampers, by variable speed and by adjustable inlet vanes, the effect of these various controls on the pressure-volume and horse-power characteristics of the fans, and the relations of the controlled output of the fans to the changing demands of a system. Involved in the case were such highly technical matters as velocity components, vector diagrams, shock-free entry, tangential admission, shock loss, cavitation, work, fluid flow in a vortex, throttling, and others too numerous to mention.

All of these technical matters were carefully considered by the Master, the District Court and the Circuit Court of Appeals in the *Massachusetts* case. They were likewise

considered, so far as necessary for a decision on the question of change of theory and the question of infringement by Exhibits B and C, by the District Court and the Sixth Circuit Court of Appeals in this case.

The First Circuit Court of Appeals in *Hanovia Chemical & Manufacturing Co.* v. *David Buttrick Co.* (127 F. 2d 888 @ 891) had occasion to refer to the *Massachusetts* case and point out that:

> "In the Sturtevant case, both the nature of the machines of the prior art and the nature of the machines covered by the patents there in suit,—what each did and how each operated,—presented complicated and hotly disputed issues of fact which, for intelligent solution, called for an evaluation of the testimony of expert witnesses."

To entertain this petition is to require this Court to review the "complicated and hotly disputed issues of fact" on which the courts of two circuits have already passed.

Concurrence of Decisions.

In this case the petitioner attempts to bring before this Court issues of fact which have been concurrently decided against petitioner by both courts below. These concurrent decisions should not be disturbed.

In *Goodyear Tire & Rubber Co.* v. *Ray-O-Vac Co.*, 321 U.S. 275 @ 278, this Court said:

> "It must be a strong case in which this court will set aside these concurrent findings of two courts."

And in *Williams Mfg. Co.* v. *United Shoe Machinery Corp.*, 316 U.S. 364 @ 367, this Court said,

> "These are findings of fact, despite the petitioner's apparent contention to the contrary, and we will not

disturb such concurrent findings where as here, there is evidence to support them."

There is not only concurrence of the decisions of the two courts below, but a remarkable degree of concurrence on all fact issues by the several tribunals before which the parties have contended in this litigation.

The validity of the first Hagen patent has been concurred in by the Special Master, the Massachusetts District Court and the First Circuit Court of Appeals. The facts on which the second patent was held valid were concurred in by those same tribunals although the Master and District Court were reversed by the Circuit Court of Appeals on a question of law.

In the present suit, the validity of the patents and their infringement by Exhibit 3 were held to be *res adjudicata* by both courts below. The issue of infringement by the modified constructions, Exhibits B and C, was not before the courts in the *Massachusetts* case but was tried on the merits by the *Michigan* District Court. That court and the Sixth Circuit Court of Appeals concurred in the finding of infringement. That finding is obviously a concurrence with the tribunals of the First Circuit as to what constitutes an infringement of the patents.

On the issue of interpretation of the claims, all tribunals are in agreement. Both the *Michigan* District Court and the Sixth Circuit Court of Appeals concur in the finding that plaintiff did not shift its position.

Thus on all issues of fact presented to the various courts which have passed upon this subject matter, there is a remarkable unanimity of opinion. The concurrence goes far beyond that existing in the *Goodyear* and *Williams* cases, *supra*.

The Cases Cited by Petitioner.

No case cited by petitioner in any way supports the propositions advanced in the petition.

The *Mercoid* case (320 U.S. 661) is asserted by the petitioner to hold that the doctrine of *res adjudicata* will not be applied in contravention of the public interest. But that case involved a clear "misuse" of the patent right, an attempt to expand the grant of the patent to unpatented devices. The controversy centered about a certain license agreement under which the royalties were based on an unpatented element.

Motion Picture Patents Corp. v. *Universal Film Corp.*, 243 U.S. 502 and *United States* v. *Masonite Corp.*, 316 U.S. 265, likewise involved attempts to enlarge the patent grant, the former case relating to a notice attached to a motion picture projector to limit its use to film of a certain manufacture, and the latter relating to a flagrant price-fixing agreement.

The present case has nothing whatever in common with any of these cited cases. The respondent is not guilty of entering into any restrictive license arrangements. The respondent seeks only to enforce its valid patent rights against an adjudged infringer.

The other cases cited by petitioner are equally irrelevant. For example, *United Carbon Co.* v. *Binney and Smith Co.*, 317 U.S. 228 and *General Electric Co.* v. *Wabash Appliance Co.*, 304 U.S. 364 involve the question of claims which are indefinite and describe a product by its function. Both of those cases involved *products* (carbon black and lamp filament material) which were claimed in an indefinite and functional manner.

There is nothing indefinite about the claims of respondent's patents. They call for *structures*, and when the underlying physical considerations are understood, there is no

uncertainty in their interpretation. The claims were applied to Exhibit 3 without difficulty by the three tribunals that heard the *Massachusetts* case, and to Exhibits B and C by the two courts below.

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U.S. 84 and *Sinclair & Carroll Co.* v. *Interchemical Corp.*, 62 S. Ct. 1143, are simply cases holding no invention. In view of the concurrent holdings of all tribunals in both circuits on the issues of fact bearing on invention, we believe that no further argument is necessary beyond what we have presented, pages 9–11, *supra*.

CONCLUSION.

Rule 38 of this Court states that a review on writ of certiorari "will be granted only where there are special and important reasons therefor".

Petitioner brings forward nothing but an effort to reargue the issues of *fact* in litigation in which it has been consistently defeated in two circuits.

There is not a grain of evidence, and petitioner makes no charges, to support any contention of misuse of patents, attempted extension of the patent grant to unpatented goods, or any other improper action by respondent.

There are no special and important reasons to justify grant of the writ and we pray that it be denied.

Respectfully submitted,

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